

Message Text

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UNCLAS SECTION 1 OF 2 LUSAKA 3245

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AMERICAN AMBASSADOR TO ZAMBIA STEPHEN LOW AND ZAMBIAN
MINISTER OF STATE FOR ECONOMIC AND TECHNICAL COOPERATION
LUSAKA, DECEMBER 4, 1976,--- U.S. AND ZAMBIAN OFFICIALS
YESTERDAY SIGNED TWO AGREEMENTS UNDER WHICH THE
UNITED STATES HAS EXTENDED LOANS TO ZAMBIA TOTALING
25.6 MILLION DOLLARS.

AT THE CEREMONY HELD HERE YESTERDAY AT THE MINISTRY OF
ECONOMCIAND TECHNICAL COOPERATION AMERICAN AMBASSADOR
STEPHEN LOW AND ZAMBIAN MINISTER OF ECONOMIC AND TECHNICAL
COOPERATION MRS. LILY MONZE SIGNED THE TWO AGREEMENTS. IN
SIGNING THE AGREEMENT AMBASSADOR LOW REMARKED THAT THE AGREEMENTS
ARE A MEASURE OF THE U.S. COMMITMENT TO "A JUST SETTLEMENT OF
THE PRESSING PROBLEMS OF ZAMBIA AND SOUTHERN AFRICA."

AMBASSADOR LOW NOTED THAT THE 25.6 MILLION DOLLARS
IN ASSISTANCE SURPASSED THE TOTAL OF ALL U.S. BILAT-
ERAL ASSISTANCE TO ZAMBIA SINCE THAT COUNTRY ACHIEVED
ITS INDEPENDENCE TWELVE YEARS AGO.

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AMBASSADOR LOW SAID THAT THE UNITED STATES WAS AWARE

OF THE ECONOMIC BURDEN WHICH ZAMBIA IS CARRYING AS A RESULT OF ITS SUPPORT FOR MAJORITY RULE IN RHODESIA. CALLING ATTENTION TO THE WEALTH OF ZAMBIA'S MINERAL, LAND, AND HUMAN RESOURCES, THE U.S. ENVOY SAID THAT THE UNITED STATES CONSIDERS THE TWO LOANS TO ZAMBIA AS ASSISTANCE TO "A STURDY NATION DURING A PERIOD WHEN A COMBINATION OF EXTERNAL POLITICAL AND ECONOMIC FACTORS HAVE CAUSED IT TO REQUIRE TEMPORARY HELP FROM ITS FRIENDS."

AMBASSADOR LOW SAID THAT THE UNITED STATES' "ACTIVE SUPPORT FOR NEGOTIATIONS AIMED AT MAJORITY RULE IN RHODESIA TOGETHER WITH THIS SIGNIFICANT CONTRIBUTION TO ZAMBIA'S EFFORTS TO MAINTAIN THE HEALTH OF ITS ECONOMY ARE A MEASURE OF OUR COMMITMENT TO A JUST SETTLEMENT OF THE PRESSING PROBLEMS OF ZAMBIA AND ALL SOUTHERN AFRICA."

MINISTER OF STATE MONZE IN EXPRESSING HER APPRECIATION FOR THE U.S. ASSISTANCE REMARKED THAT AMERICA "OF LATE HAS SHOWN GREAT INTEREST IN WHAT IS GOING ON IN SOUTHERN AFRICA." SHE SAID THE SITUATION IN SOUTHERN AFRICA IS "A VERY WORRISOME ONE" AND THAT "AN IMMEDIATE SOLUTION IS CALLED FOR." IT IS BECUASE OF THIS SITUATION THE MINISTER SAID "THAT WE IN THIS PART OF THE WORLD--- ESPECIALLY IN THE FRONTLINE--- WELCOME THE MOVES YOUR GOVERNMENT HAS TAKEN AND THE ROLE THAT IT IS STILL PLAYING---FOR EXAMPLE ENSURING THE SUCCESS OF THE CURRENT GENEVA TALKS."

MRS. MONZE REMARKED THAT DURING THE NEGOTIATIONS FOR THE TWO AID AGREEMENTS A FACTOR THAT HAD COME TO LIGHT WAS "THE NEED FOR A BASIC COOPERATION AGREEMENT BETWEEN OUR TWO COUNTRIES, PREFERABLY ON A LONG TERM BASIS." IN COMMENTING MORE SPECIFICALLLY ON THE TWO AGREEMENTS THE MINISTER REMARKED THAT SHE HOPED ZAMBIA WOULD BE ABLE TO PHASE OUT OF PL 480 FOOD ASSISTANCE PROGRAMS SINCE ZAMBIA IS DETERMINED TO BECOME SELF-SUFFICIENT IN FOOD PRODUCTION. SHE NOTED, HOWEVER, THAT THERE WERE MANY OTHER AREAS IN

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WHICH THE U.S. CAN ASSIST WITH ZAMBIA'S AGRICULTURAL DEVELOPMENT.

ON THE 20 MILLION DOLLAR PROGRAM LOAN AGREEMENT, MRS. MONZE SAID THE MONEY WILL BE SPENT ON COMMODITIES AND EQUIPMENT NEEDED BY ZAMBIA.

THE MINISTER ALSO VOCIED HOPE THAT THE U.S. WOULD

TAKE A PROGRESSIVE APPROACH IN INTERNATIONAL FORUMS CURRENTLY DISCUSSING ECONOMIC REFORMS, NOTING THAT THE U.S. WAS AN ECONOMIC POWER WHOSE POSITIONS IN THESE DISCUSSIONS IS LIKELY TO INFLUENCE THE POSITIONS OF OTHER DEVELOPED COUNTRIES.

FOLLOWING IS FULL TEXT OF AMBASSADOR LOW'S REMARKS:
BEGIN QUOTE SEVEN MONTHS AGO, THE UNITED STATES SECRETARY OF STATE MADE A MAJOR FOREIGN POLICY DECLARATION HERE IN LUSAKA. IN IT HE COMMITTED OUR NATION TO PLAY A POSITIVE AND ACTIVE ROLE IN THE SEARCH FOR SELF-DETERMINATION, MAJORITY RULE, EQUAL RIGHTS, AND HUMAN DIGNITY FOR THE PEOPLES OF SOUTHERN AFRICA. AT THE SAME TIME HE PLEDGED OUR ECONOMIC SUPPORT FOR THOSE AFRICAN NATIONS WHICH WERE CARRYING THE BRUNT OF THE SACRIFICE INVOLVED IN ACHIEVING THESE ENDS.

I MYSELF HAVE BEEN PRIVILEGED TO PARTICIPATE IN THE EVENTS OF THE LAST THREE OF THESE SEVEN MONTHS, DURING WHICH TIME THE UNITED STATES ACCELERATED ITS INVOLVEMENT IN SEEKING A SOLUTION TO THE PROBLEMS OF SOUTHERN AFRICA. IT HAS BEEN A MOMENTOUS PERIOD AND SIGNIFICANT PROGRESS HAS BEEN MADE TOWARDS A SOLUTION. PRESIDENT KAUNDA AND THE GOVERNMENT OF ZAMBIA HAVE ACTIVELY CONTRIBUTED TOWARD THE EFFORTS TO PROMOTE A PEACEFUL SETTLEMENT TO THE PROBLEMS OF SOUTHERN AFRICA.

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UNITED STATES EFFORTS IN THIS DIRECTION ARE NOT CONFINED TO GENEVA. WHAT WE HAVE DONE HERE THIS MORNING IS AN IMPORTANT PART OF THE UNITED STATES COMMITMENT. NOTHING HAS GIVEN ME PERSONALLY GREATER PLEASURE DURING THESE THREE MONTHS THAN THE SIGNATURE THIS MORNING OF THESE TWO AGREEMENTS WHICH GIVE MATERIAL EVIDENCE OF OUR CONTINUING COMMITMENT.

THE UNITED STATES IS AWARE OF THE ECONOMIC BURDEN WHICH ZAMBIA IS CARRYING AS A RESULT OF ITS SUPPORT FOR MAJORITY RULE IN RHODESIA. IT IS ALSO AWARE OF ZAMBIA'S LONG TERM ECONOMIC STRENGTH ARISING FROM ITS RICH ENDOWMENT IN MINERAL, LAND, AND HUMAN RESOURCES. WE CONSIDER, THEREFORE, THAT WE ARE ASSISTING A STURDY NATION DURING A PERIOD WHEN A COMBINATION OF EXTERNAL POLITICAL AND ECONOMIC FACTORS HAVE CAUSED IT TO REQUIRE TEMPORARY HELP FROM ITS FRIENDS.

THE TWO AGREEMENTS WHICH WE HAVE JUST SIGNED, TOGETHER PLEDGE THE UNITED STATES TO ASSIST ZAMBIA WITH A TOTAL OF \$25 1/2 MILLION, ABOUT 20 MILLION KWACHA. THIS AMOUNT SURPASSES THE TOTAL OF ALL BILATERAL ASSISTANCE WHICH THE UNITED STATES HAD PREVIOUSLY RENDERED TO ZAMBIA SINCE INDEPENDENCE IN 1964.

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THE FIRST AGREEMENT, TOTALING \$20 MILLION, 17 MILLION KWACHA, PROVIDES BALANCE OF PAYMENTS ASSISTANCE FOR THE PURCHASE OF NEEDED FERTILIZER, ANIMAL FEED, AND EQUIPMENT FOR AGRICULTURE AND MINING. ITS TERMS CALL FOR A 40 YEAR LOAN AT 2 TO 3 PERCENT INTEREST, WITH A TEN YEAR GRACE PERIOD BEFORE REPAYMENTS START. THE SECOND AGREEMENT FOR ABOUT \$5 1/2 MILLION, 4 MILLION KWACHA, OF U.S. AGRICULTURAL PRODUCTS WILL PROVIDE WHEAT AND EDIBLE OILS UNDER SIMILAR TERMS. WE ARE IN FULL AGREEMENT WITH THE CONCERN WHICH YOU HAVE EXPRESSED, MADAME MINISTER, TO STRENGTHEN THE AGRICULTURAL SECTOR OF ZAMBIA AND TO ACHIEVE EVENTUALLY SELF-SUFFICIENCY IN AGRICULTURAL PRODUCTS. FOR THIS REASON THAT AGREEMENT PROVIDES THAT THE REVENUE FROM THE SALE OF THE AGRICULTURAL PRODUCTS IMPORTED FROM THE UNITED STATES SHOULD BE USED FOR RURAL DEVELOPMENT IN ZAMBIA. WE THEREFORE FEEL THAT THIS AGREEMENT WILL NOT ONLY HELP YOU DURING A DIFFICULT PERIOD BUT WILL CONTRIBUTE TO THE EVENTUAL ACHIEVEMENT OF SELF-SUFFICIENCY IN AGRICULTURAL PRODUCTS. WE ARE

ENGAGED IN OTHER DISCUSSIONS WHICH, AS YOU HAVE STATED, MADAME MINISTER, COULD WELL RAISE THE TOTAL OF U.S. ASSISTANCE DURING THIS FISCAL YEAR TO AN EVEN HIGHER LEVEL.

MADAME MINISTER, MY COUNTRY'S ACTIVE SUPPORT FOR NEGOTIATIONS AIMED AT ACHIEVING MAJORITY RULE IN RHODESIA TOGETHER WITH THIS SIGNIFICANT CONTRIBUTION TO ZAMBIA'S EFFORTS TO MAINTAIN THE HEALTH OF ITS ECONOMY ARE A MEASURE OF OUR COMMITMENT TO A JUST SETTLEMENT OF THE PRESSING PROBLEMS OF ZAMBIA AND OF ALL OF SOUTHERN AFRICA.

AND, I'D LIKE TO ADD, MADAME MINISTER, IT IS A PARTICULAR PLEASURE TO ME TO BE ASSOCIATED WITH YOU IN SIGNING THIS AGREEMENT, BECAUSE I HAVE BECOME VERY CONSCIOUS OF THE ABLE DEDICATION YOU HAVE APPLIED TOWARDS THE EFFECTIVE USE OF THE ECONOMIC COOPERATION WHICH MY OWN AND OTHER COUNTRIES BRING TO ZAMBIA. END QUOTE
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